

Consolidated Financial Report

*Louisiana National Guard Foundation
and Subsidiaries
New Orleans, Louisiana*

June 30, 2025



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June 30, 2025 and 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors,
Louisiana National Guard Foundation and Subsidiaries,
New Orleans, Louisiana.

Opinion

We have audited the accompanying consolidated financial statements of Louisiana National Guard Foundation and Subsidiaries (the “Organization”) which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Louisiana National Guard Foundation and Subsidiaries as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Correction of an Error

As discussed in Note 2 of the consolidated financial statements, a certain error resulting in previously reported net assets as of June 30, 2024 were discovered by management during the year ended June 30, 2025. Accordingly, the net assets as of June 30, 2024 have been restated to correct the error. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information in Schedules 1 and 2 is presented for purposes of additional analysis, as required by Louisiana Revised Statute 24:513(A)(3) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules 1 and 2 is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 9, 2025, on our consideration of the Organization's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreement, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
October 9, 2025.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**Louisiana National Guard Foundation and Subsidiaries**

New Orleans, Louisiana

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 284,335	\$ 463,491
Restricted cash	4,319,573	-
Accounts receivable, net	64,455	84,780
Grants receivable, net	185,001	1,310,155
Prepaid expenses	34,661	33,746
Other assets	28,348	74,931
Accrued interest	5,319	7,338
Investments	4,295,638	3,357,745
Property and equipment, net	7,291,900	7,486,998
Burn System receivable, net	2,352,553	2,336,126
	<u>\$18,861,783</u>	<u>\$15,155,310</u>
Liabilities		
Accounts payable	\$ 67,956	\$ 1,371,364
Grants payable	-	9,716
Lease deposits	500	500
Deferred revenue	5,018,557	18,035
	<u>5,087,013</u>	<u>1,399,615</u>
Net Assets		
Without donor restrictions, as restated	3,534,483	3,427,764
With donor restrictions, as restated	10,240,287	10,327,931
	<u>13,774,770</u>	<u>13,755,695</u>
	<u>\$18,861,783</u>	<u>\$15,155,310</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES**Louisiana National Guard Foundation and Subsidiaries**
New Orleans, Louisiana

For the year ended June 30, 2025

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Totals</u>
Revenues and Support			
Billeting	\$ 747,401	\$ -	\$ 747,401
Contributions	68,082	29,358	97,440
Grants	5,175,002	26,000	5,201,002
Other revenue	86,689	11,657	98,346
Lease revenue	935,957	4,100	940,057
Investment income, net	175,409	105,731	281,140
Net assets released from restrictions	264,490	(264,490)	-
	<u>7,453,030</u>	<u>(87,644)</u>	<u>7,365,386</u>
Expenses			
Program services	6,302,486	-	6,302,486
Management and general	988,093	-	988,093
Fundraising	55,732	-	55,732
	<u>7,346,311</u>	<u>-</u>	<u>7,346,311</u>
Increase (Decrease) in Net Assets	106,719	(87,644)	19,075
Net Assets			
Beginning of year, as restated	<u>3,427,764</u>	<u>10,327,931</u>	<u>13,755,695</u>
End of year	<u><u>\$3,534,483</u></u>	<u><u>\$10,240,287</u></u>	<u><u>\$13,774,770</u></u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES**Louisiana National Guard Foundation and Subsidiaries**
New Orleans, Louisiana

For the year ended June 30, 2024

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Totals</u>
Revenues and Support			
Billeting	\$ 582,024	\$ -	\$ 582,024
Contributions	2,694	42,506	45,200
Contributed nonfinancial assets	-	7,576,000	7,576,000
Grants	5,000,476	-	5,000,476
Other revenue	95,126	12,947	108,073
Lease revenue	819,068	2,300	821,368
Investment income, net	109,993	86,772	196,765
Net assets released from restrictions	218,410	(218,410)	-
	<u>6,827,791</u>	<u>7,502,115</u>	<u>14,329,906</u>
Expenses			
Program services	6,154,621	-	6,154,621
Management and general	188,090	-	188,090
Fundraising	87,763	-	87,763
	<u>6,430,474</u>	<u>-</u>	<u>6,430,474</u>
	397,317	7,502,115	7,899,432
Increase in Net Assets			
Net Assets			
Beginning of year, as restated	<u>3,030,447</u>	<u>2,825,816</u>	<u>5,856,263</u>
End of year, as restated	<u>\$3,427,764</u>	<u>\$10,327,931</u>	<u>\$13,755,695</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**Louisiana National Guard Foundation and Subsidiaries**

New Orleans, Louisiana

For the year ended June 30, 2025

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Expenses				
Advertising expenses	\$ 752	\$ -	\$ -	\$ 752
Auto expense	-	18,061	-	18,061
Bad debt expense	-	50,569	-	50,569
Bank and credit card fees	22,949	2,732	-	25,681
Board expense	-	14,137	-	14,137
Cleaning supplies and service	287,162	-	-	287,162
Depreciation	195,098	-	-	195,098
Fundraising expense	-	-	55,732	55,732
Grants	54,714	-	-	54,714
Housing compliance	15,000	-	-	15,000
Insurance	53,078	2,992	-	56,070
Lease commissions	1,500	-	-	1,500
Legal	105,904	82,343	-	188,247
Loss due to fraud	-	680,427	-	680,427
Management fees	42,750	-	-	42,750
Memorial brick expense	133	-	-	133
Mentor training	2,403	-	-	2,403
Morale, welfare, and recreation	17,872	-	-	17,872
Office supplies	14,417	3,983	-	18,400
Other	21,470	3,923	-	25,393
Professional fees	78,464	122,292	-	200,756
Program services and supplies	212,082	-	-	212,082
Project costs	5,000,000	-	-	5,000,000
Repairs and maintenance	52,324	-	-	52,324
Scholarships	5,500	-	-	5,500
Software	25,383	4,803	-	30,186
Staff development	-	-	-	-
Surcharge	15,680	-	-	15,680
Utilities	77,851	1,831	-	79,682
Total expenses	<u>\$6,302,486</u>	<u>\$ 988,093</u>	<u>\$55,732</u>	<u>\$7,346,311</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**Louisiana National Guard Foundation and Subsidiaries**

New Orleans, Louisiana

For the year ended June 30, 2024

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Expenses				
Auto expense	\$ -	\$ 9,196	\$ -	\$ 9,196
Bank and credit card fees	17,784	1,841	-	19,625
Board expense	-	9,333	-	9,333
Cleaning supplies and service	269,120	-	-	269,120
Depreciation	100,395	-	-	100,395
Fundraising expense	-	-	87,763	87,763
Grants	468,268	-	-	468,268
Housing compliance	7,400	-	-	7,400
Insurance	26,118	2,576	-	28,694
Lease commissions	6,600	-	-	6,600
Legal	83,646	58,709	-	142,355
Management fees	20,663	-	-	20,663
Memorial brick expense	44	-	-	44
Mentor training	2,620	-	-	2,620
Morale, welfare, and recreation	19,935	-	-	19,935
Office supplies	11,049	1,723	-	12,772
Other	12,196	4,742	-	16,938
Professional fees	26,004	95,292	-	121,296
Program services and supplies	163,496	-	-	163,496
Project costs	4,767,295	-	-	4,767,295
Repairs and maintenance	15,337	-	-	15,337
Scholarships	20,656	-	-	20,656
Software	21,251	2,908	-	24,159
Staff development	418	200	-	618
Surcharge	29,636	-	-	29,636
Utilities	64,690	1,570	-	66,260
Total expenses	<u>\$6,154,621</u>	<u>\$188,090</u>	<u>\$87,763</u>	<u>\$6,430,474</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS**Louisiana National Guard Foundation and Subsidiaries**
New Orleans, Louisiana

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 19,075	\$7,899,432
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Bad debt expense	50,569	-
Depreciation	195,098	100,395
Net realized and unrealized gain on investments	(142,236)	(109,556)
Change in discount on Burn System receivable	(71,427)	(73,479)
Contributed property received	-	(7,576,000)
(Increase) decrease in assets:		
Accounts receivable	(30,244)	(9,175)
Accrued state grant receivable	1,125,154	(1,248,606)
Prepaid expenses	(915)	(16,621)
Other assets	46,583	13,164
Accrued interest	2,019	13,451
Burn System receivable, net	55,000	80,000
Increase (decrease) in liabilities:		
Accounts payable	(1,303,408)	1,314,031
Accrued expenses	-	(9,773)
Grants payable	(9,716)	(8,395)
Lease deposits	-	500
Deferred revenue	5,000,522	(31,493)
Net cash provided by operating activities	<u>4,936,074</u>	<u>337,875</u>
Cash Flows From Investing Activities		
Purchases of investments, net	(795,657)	(284,439)
Collections of notes receivable	-	100,000
Net cash used in operating activities	<u>(795,657)</u>	<u>(184,439)</u>

**Exhibit D
(Continued)**

	<u>2025</u>	<u>2024</u>
Net Increase in Cash and Cash Equivalents	4,140,417	153,436
Cash and Cash Equivalents		
Beginning of year	<u>463,491</u>	<u>310,055</u>
End of year	<u><u>\$4,603,908</u></u>	<u><u>\$ 463,491</u></u>
Reconciliation of Cash		
Cash	\$ 284,335	\$ 463,491
Restricted cash	<u>4,319,573</u>	<u> </u>
Total cash and restricted cash	<u><u>\$4,603,908</u></u>	<u><u>\$ 463,491</u></u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Louisiana National Guard Foundation and Subsidiaries**

New Orleans, Louisiana

June 30, 2025 and 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization**

The Louisiana National Guard Foundation and Subsidiaries is a 501(c)(3) non-profit corporation incorporated on November 15, 2016 under the laws of the State of Louisiana. The mission of the Louisiana National Guard Foundation and Subsidiaries and its wholly owned subsidiaries (LANG Foundation - Camp Beauregard, LLC; LANG Foundation - Camp Minden, LLC; LANG Foundation - Camp Minden Rail, LLC; LANG Foundation - Camp Villere, LLC; LANG Foundation - Esler Field, LLC; LANG Foundation - Family Resiliency and Social Welfare, LLC; LANG Foundation - Gillis W. Long Center, LLC; LANG Foundation - Jackson Barracks, LLC; LANG Foundation - Range Program, LLC; LANG Foundation - Solar Power, LLC; LANG Foundation - Solar Power AFRC, LLC; LANG Foundation - Solar Power Chennault, LLC; LANG Foundation - Solar Power Gillis Long, LLC; and LANG Foundation - Solar Power Hammond, LLC) (collectively, the “Organization”) is to exclusively support the educational programs and the museums of the Louisiana National Guard as well as the Louisiana National Guard’s mission, its members, veterans and their families.

In order to increase the Military Department of Louisiana’s (LMD) capabilities to accomplish its mission, LMD has a Billeting Program (the “Program”) for transient housing for soldiers, airmen, employees, and other first responders at its major installations (Camp Beauregard, Camp Minden, Jackson Barracks, and the Gillis W. Long Center). In February of 2017, the LMD and the Organization entered into a cooperative endeavor agreement to operate and maintain the Program.

b. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Louisiana National Guard Foundation and its wholly owned subsidiaries (LANG Foundation - Camp Beauregard, LLC; LANG Foundation - Camp Minden, LLC; LANG Foundation - Camp Minden Rail, LLC; LANG Foundation - Camp Villere, LLC; LANG Foundation - Esler Field, LLC; LANG Foundation - Family Resiliency and Social Welfare, LLC; LANG Foundation - Gillis W. Long Center, LLC; LANG

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Principles of Consolidation (Continued)

Foundation - Jackson Barracks, LLC; LANG Foundation - Range Program, LLC; LANG Foundation - Solar Power, LLC; LANG Foundation - Solar Power AFRC, LLC; LANG Foundation - Solar Power Chennault, LLC; LANG Foundation - Solar Power Gillis Long, LLC; and LANG Foundation - Solar Power Hammond, LLC). All significant intercompany balances and transactions have been eliminated in consolidation.

c. Basis of Accounting

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

d. Basis of Presentation

The Organization reports information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Support, revenue, and expenses for general operations. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets with Donor Restrictions - Contributions and grants specifically authorized by the grantor or donor to be used for a certain purpose, to benefit a specific accounting period or are to be held in perpetuity by the Organization.

Donor restricted contributions are reported as increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

e. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less, excluding those to be held for long term purposes and reported as investments, to be cash equivalents. Cash equivalents set aside for long term purposes as of June 30, 2025 and 2024 were \$427,724 and \$722,793, respectively, and are included in investments in the Consolidated Statements of Financial Position.

g. Accounts Receivable and Allowance for Credit Losses

Accounts receivable consists primarily of unsecured amounts due from various customers. Management closely monitors outstanding receivable and estimates credit losses associated with accounts receivable using an expected credit loss model, which utilizes an aging schedule methodology based on historical information and adjusted for asset-specific considerations, current economic conditions, and reasonable and supportable forecasts. Balances that are determined to be uncollectible are written off. All accounts are considered fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary. Additionally, write-offs have not been material in previous years.

An allowance for doubtful accounts is estimated based on management's analysis of other receivables. As of June 30, 2025 and 2024, the allowance for doubtful accounts was \$75,000, and is included in Burn System receivable, net on the Consolidated Statements of Financial Position.

h. Notes Receivable

Notes receivables are recorded at their outstanding balance, net of any allowance for doubtful accounts, if determined necessary.

i. Investments

Investments are valued at their fair values in the Consolidated Statements of Financial Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for a discussion of fair value measurements. Donated securities are recorded at their fair value at the date of donation. Purchases and sales of securities are recorded on a trade-date basis. Unrealized gains and losses on investments recorded at fair value are included in the Consolidated Statements of Activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Property and Equipment

The Organization has adopted a policy of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$5,000. Property and equipment are recorded at cost. Donated property is recorded at its fair market value at the date of donation. Repairs and maintenance are charged to expense as incurred; major renewals and replacements and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of each asset which range from three to five years.

k. Advertising Expenses

Advertising expenses are expensed when incurred. Advertising expenses for the year ended June 30, 2025 was \$752. There were no advertising expenses for the year ended June 30, 2024.

l. Burn System Receivable

The Burn System receivable is recorded at the outstanding balance, net of the allowance of \$75,000.

m. Revenue Recognition

Revenues from Exchange Transactions: The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, “*Revenues from Contracts with Customers*”, as amended. ASU No. 2014-09 applies to exchange transactions with customers and donors that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its Consolidated Statements of Activities for the years ended June 30, 2025 and 2024:

Billeting Revenue

The Organization recognizes billeting revenue at the time the service is performed. The performance obligations are generally satisfied over time. Revenue from room sales is recorded on a daily basis, as the rooms are occupied.

n. Contributions

Contributions are recorded as assets with donor restrictions or assets without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Contributions (Continued)

donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

o. Contributed Services

Members of the Organization's board of directors have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these consolidated financial statements as it does not meet the criteria for recognition.

p. Methods Used for Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and are reconciled to the natural classifications in the Consolidated Statements of Functional Expenses. Costs are charged directly to the appropriate program or functional area. Certain costs which benefit more than one functional area have been allocated to the Organization's programs or supporting services benefited. Such allocations are determined by management on an equitable basis as estimated by management.

q. Income Taxes

The Organization is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. As of June 30, 2025, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Tax years ending June 30, 2022 and later remain subject to examination by the taxing authorities.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 9, 2025, which is the date the consolidated financial statements were available to be issued.

Note 2 - RESTATEMENT

The June 30, 2024 Consolidated Statement of Financial Position has been restated to reflect a correction in Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions and beginning net assets as of July 1, 2023. During the year ended June 30, 2025, management determined that the restricted balance of Youth Challenge Program and Military Education Training Enhancement Program was overstated. The following were restated on the June 30, 2024 Consolidated Statement of Financial Position:

	<u>As Previously Reported as of June 30, 2024</u>	<u>Correction</u>	<u>As Restated as of June 30, 2024</u>
Net Assets Without Donor Restrictions	\$ 3,068,564	\$359,200	\$ 3,427,764
Net Assets With Donor Restrictions	<u>10,687,131</u>	<u>(359,200)</u>	<u>10,327,931</u>
Total Net Assets	<u>\$13,755,695</u>	<u>\$ -</u>	<u>\$13,755,695</u>

Note 3 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances with several financial institutions where the balances are insured by Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2025, cash deposits in excess of Federal Deposit Insurance Corporation limits approximated \$56,000.

Note 4 - GRANTS RECEIVABLE

The balance of grants receivable, which are all deemed collectible by management, totaled \$185,001 and \$1,310,155 as of June 30, 2025 and 2024, respectively.

Note 4 - GRANTS RECEIVABLE (Continued)

The details of grants receivable as of June 30, 2025 and 2024 are as follows:

	2025	2024
State of Louisiana	\$ 175,001	\$ 1,290,155
J. Edgar Monroe Foundation	10,000	20,000
Total grants receivable before discount	185,001	1,310,155
Less discount	-	-
Totals	\$ 185,001	\$ 1,310,155
	2025	2024
Amounts due in:		
Less than one year	\$185,001	\$1,310,155

Note 5 - NOTE RECEIVABLE

In conjunction with the Burn System, the Organization received a note receivable with a face amount of \$100,000 bearing interest at 6% (see Note 10). The note was originally to be paid to the Organization in full with accrued interest in March 2021. During the year ended June 30, 2021, the maturity date of the note receivable was extended to March 22, 2023 and on June 6, 2023, the maturity date of the note receivable was extended to November 30, 2023. The note was paid in full during the year ended June 30, 2024.

Note 6 - INVESTMENTS

Investments held as of June 30, 2025 and 2024 are comprised of the following:

	<u>2025</u>	<u>2024</u>
Asset-backed securities	\$ 92,461	\$ 78,429
Collateralized mortgage obligations	53,676	24,909
Corporate fixed income	463,112	427,051
Equity securities	1,223,763	880,454
Exchange-traded funds	820,182	723,729
Government sponsored enterprise fixed income	320,290	295,070
Money market funds	62,221	427,724
Mortgage-backed securities	199,757	215,737
Municipal fixed income	-	17,176
Preferred securities	46,449	28,310
Real estate investment trusts/tangibles	2,477	3,737
U.S. Treasury fixed income	<u>1,011,250</u>	<u>235,419</u>
Totals	<u>\$4,295,638</u>	<u>\$3,357,745</u>

Investment income for the years ended June 30, 2025 and 2024 is summarized as follows:

	<u>2025</u>	<u>2024</u>
Increase in unrealized appreciation	\$ 117,454	\$ 135,927
Realized gain (loss)	24,782	(26,371)
Interest and dividends	165,526	110,461
Advisor fees	<u>(26,622)</u>	<u>(23,252)</u>
Investment income, net	<u>\$ 281,140</u>	<u>\$ 196,765</u>

Note 7 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Asset-backed securities, collateralized mortgage obligations, corporate fixed income, government sponsored enterprise fixed income, mortgage-backed securities, municipal fixed income, preferred securities, real estate investment trusts/tangibles - Valued by independent pricing vendors used by the custodians of the investments. The pricing vendor uses various pricing models for each asset class that are consistent with what other market participants would use. The inputs and assumptions to the models used by the pricing vendors are derived from market-observable sources, including benchmark yields, reported trades, broker/dealer quotes, and other market-related data. Since many of these fixed income securities do not trade on a daily basis, the methodology of the pricing vendor uses available information, including benchmark curves, benchmarking of like securities, and matrix pricing. These investments are included in level 2 of the fair value hierarchy.

Money market funds and exchange-traded funds: Valued at quoted market prices, which represent the net asset value per unit. These are included in level 1 of the fair value hierarchy.

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

U.S. Treasury fixed income and equity securities: Valued at the closing price reported on the active market on which the individual securities are traded. These are included in level 1 of the fair value hierarchy.

The methods described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of June 30, 2025 and 2024, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Total Assets Measured At Fair Value	2025		
		Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Asset-backed securities	\$ 92,461	\$ -	\$ 92,461	\$ -
Collateralized mortgage obligations	53,676	-	53,676	-
Corporate fixed income	463,112	-	463,112	-
Equity securities	1,223,763	1,223,763	-	-
Exchange-traded funds	820,182	820,182	-	-
Government sponsored enterprise fixed income	320,290	-	320,290	-
Money market funds	62,221	62,221	-	-
Mortgage-backed securities	199,757	-	199,757	-
Preferred securities	46,449	-	46,449	-
Real estate investment trusts/tangibles	2,477	-	2,477	-
U.S. Treasury fixed income	1,011,250	1,011,250	-	-
Totals	<u>\$4,295,638</u>	<u>\$3,117,416</u>	<u>\$1,178,222</u>	<u>\$ -</u>

Note 7 - FAIR VALUE MEASUREMENTS (Continued)

Description	Total Assets Measured At Fair Value	2024		
		Based on		
		Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Asset-backed securities	\$ 78,429	\$ -	\$ 78,429	\$ -
Collateralized mortgage obligations	24,909	-	24,909	-
Corporate fixed income	427,051	-	427,051	-
Equity securities	880,454	880,454	-	-
Exchange-traded funds	723,729	723,729	-	-
Government sponsored enterprise fixed income	295,070	-	295,070	-
Money market funds	427,724	427,724	-	-
Mortgage-backed securities	215,737	-	215,737	-
Municipal fixed income	17,176	-	17,176	-
Preferred securities	28,310	-	28,310	-
Real estate investment trusts/tangibles	3,737	-	3,737	-
U.S. Treasury fixed income	235,419	235,419	-	-
Totals	<u>\$3,357,745</u>	<u>\$2,267,326</u>	<u>\$1,090,419</u>	<u>\$ -</u>

As of June 30, 2025 and 2024, there were no assets measured at fair value on a non-recurring basis.

Note 8 - PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment consists of the following:

	2025	2024
Furniture and fixtures	\$ 28,488	\$ 28,488
Leased housing	7,576,000	7,576,000
Website	17,175	17,175
	7,621,663	7,621,663
Less accumulated depreciation	<u>(329,763)</u>	<u>(134,665)</u>
Net property and equipment	<u>\$7,291,900</u>	<u>\$7,486,998</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$195,098 and \$100,395, respectively.

Note 9 - RAIL CAR STORAGE AND LEASE REVENUE

During September and October of 2017, the Organization, through the creation of subsidiary special purpose entities, LANG Foundation - Camp Minden, LLC, and LANG Foundation Camp Minden Rail, LLC, entered into two cooperative endeavor agreements (CEA) with the LMD to operate as the master subtenant that will sublease a rail line and a ground lease to private entities. The CEA has no termination date. As per an amendment to the CEA effective August 1, 2020, the lease payment will be \$13,331 on or before the 5th day each month the CEA is in effect, which is deemed rent under the Master Lease. During the years ended June 30, 2025 and 2024, the Organization earned \$452,952 and \$484,452 respectively, related to these two CEAs.

Minimum lease payments to be received under these agreements are as follows at June 30, 2025:

Year Ending June 30,	
2026	\$378,000
2027	378,000
2028	<u>94,500</u>
Total	<u><u>\$850,500</u></u>

The Organization also leases other assets through which it acquired the right to lease the assets through other cooperative endeavor agreements with the LMD. These leases expire between the 2028 and 2087 fiscal years. Some of the leases contain automatic increases of either the Consumer Price Index or 3% if the lease extension option is exercised by the tenant.

Minimum lease payments to be received under these agreements are as follows as of June 30, 2025:

Year Ending June 30,	
2026	\$ 153,849
2027	156,047
2028	158,310
2029	160,642
2030	104,805
Thereafter	<u>11,134,479</u>
Total	<u><u>\$11,868,132</u></u>

During the years ended June 30, 2025 and 2024, the Organization earned other lease revenue of \$487,105 and \$336,916, respectively.

Note 10 - BURN SYSTEM

In response to a need to safely dispose of surplus military munitions stored at Camp Minden, Louisiana, LMD constructed a contained burn chamber (the “Burn System”) for the destruction of the munitions.

LMD and LANG Foundation - Camp Minden, LLC entered into a cooperative endeavor agreement in April 2018 to remediate, clean, and disassemble the Burn System and relocate the Burn System to a temporary location on Camp Minden, and after a period not to exceed one year after the transfer closing requirements are met, to relocate the Burn System outside the state of Louisiana. The CEA was updated in March 2019.

In return for assistance with certain tasks and consideration, on March 22, 2019 LMD conveyed all of its rights, title and interest in the cleaned Burn System to the Organization after relocation to the temporary storage site and the completion of the EPA requirements. Immediately upon receipt of the interest in the Burn System, the Organization conveyed all of its rights in and obligations related to the asset to a third party for consideration totaling \$3,586,924. The Act of Sale and an Assignment and Assumption Agreement were executed on March 22, 2019.

On March 22, 2019, the Organization also received cash totaling \$83,000 and a note receivable in the amount of \$100,000, due on November 30, 2023. The note receivable was paid during the year ended June 30, 2024. (See Note 5).

The Organization is scheduled to receive monthly payments of \$5,000 related to the Burn System receivable.

The future payments on the Burn System receivable, net of the unamortized discount and allowance for doubtful accounts is as follows as of June 30, 2025 and 2024:

	2025	2024
Within one year	\$ 60,000	\$ 60,000
One to five years	240,000	240,000
Thereafter	2,831,924	2,886,924
Gross Burn System receivable	3,131,924	3,186,924
Less unamortized discount to net present value at rate of 3%	(704,371)	(775,798)
Less allowance for doubtful accounts	(75,000)	(75,000)
Burn System receivable, net	\$2,352,553	\$2,336,126

Note 10 - BURN SYSTEM (Continued)

The CEA stated that the proceeds from the sale of the Burn System were to be restricted for the establishment of the Louisiana National Guard Emergency Relief Fund to be established by the Organization. Based on this, the contribution was reflected as a donor restricted contribution in accordance with U.S. generally accepted auditing procedures (GAAP).

Note 11 - SOLAR PROJECTS

In response to a need to collect solar energy and generate electricity compliant with existing or anticipated renewable portfolio standards at LMD installations, the Organization plans to develop utility-scale solar microgrid energy systems at LMD installations.

LMD, the Organization, and a developer entered into a memorandum of understanding in September 2017 to allow the developer to develop solar energy on LMD installations.

The State of Louisiana and the Organization entered into a cooperative endeavor agreement in October 2021 to facilitate the receipt of an appropriation of \$5 million as part of Act 119 of the 2021 Louisiana Regular Legislative Session related to the solar projects.

The State of Louisiana and the Organization entered into a cooperative endeavor agreement in November 2022 to facilitate the receipt of an appropriation of \$5 million as part of Act 170 of the 2022 Louisiana Regular Legislative Session related to the solar projects.

LMD and the Organization entered into a cooperative endeavor agreement in November 2023 to facilitate the receipt of an appropriation of \$5 million as part of Act 447 of the 2023 Louisiana Regular Legislative Session related to the solar projects.

The Organization and LANG Foundation - Solar Power, LLC entered into a master development agreement with a developer in June 2022 for each Phase I solar project to be subject to the agreement. The agreement provides the developer the exclusive right to develop solar projects at LMD installations for ten years. The exclusivity period can be extended by an additional three years for each additional twenty megawatts of a solar project that the developer begins.

LMD and LANG Foundation - Solar Power Gillis Long, LLC entered into a ground lease agreement in June 2022 for the solar project at the Gillis W. Long Center. The Gillis Long Site is on hold due to the economic constraints from Entergy.

Note 11 - SOLAR PROJECTS (Continued)

The Organization is in negotiation with their developer to enter into a new Master Development Agreement (MDA) that will encircle all locations for the resiliency project. This MDA will have exclusivity options for sites around the State on Military Department property. Once a solar site is operational a lease will commence and then the developer will proceed to the next site. The MDA is in development and will be completed in early 2026. At this time, the developer is proceeding concurrently with work at the Armed Forces Reserve Center as their initial site. Their start-up for this site is anticipated to be during the year ended June 30, 2026.

Note 12 - LMI HOUSING PROJECT

The LMI (low-and-moderate income) Housing Project consists of 25 new single-family homes to support training and readiness for the Louisiana National Guard as a first responder. The housing is located at Louisiana National Guard Training Center-Pineville (formerly known as Camp Beauregard). The LMI Housing Project consists of 22 three-bedroom homes and 3 four-bedroom homes and was funded by a \$10,000,000 Community Development Block Grant-Disaster Recovery from the U.S. Department of Housing and Urban Development through LMD. In addition, LMD received or used \$2,000,000 from two other sources for the project - \$1,500,000 from the State of Louisiana and \$500,000 from LMD funds. LMD contributed the housing in the amount of \$7,576,000 to the Organization as contributed nonfinancial assets during the year ended June 30, 2024 (See Note 14).

As part of the Community Development Block Grant-Disaster Recovery (Grant) requirements, at least 51% of the LMI Housing Project must remain reserved for low-and-moderate income eligible families until the end of the ten year affordability period. The remaining 49% of the LMI Housing Project is not restricted by income and can be market rate units. Low-to-moderate income is defined as a family with income at or below 80% of the average median income (AMI). An eligible family is defined as a family with at least one family member who works at Louisiana National Guard Training Center-Pineville, Esler Field, Camp Cook, the National Guard Armory, or the National Guard Recruiting Station in Alexandria. The allowable rental fee to be paid by eligible families shall be equal to or less than 30% of 80% of the AMI of Rapides Parish at the time the rental agreement is executed. All tenants for all units must be eligible families. The Organization is required to maintain all records, such as financial records and records for tenant eligibility for a period of five years after the closeout of the Grant. The Organization acknowledges, covenants, and agrees that the restrictions described previously constitute a covenant running with the immovable property encumbered hereby and shall be binding on all future owners of the LMI Housing Project and all successors and assigns of the Organization.

Note 12 - LMI HOUSING PROJECT (Continued)

In the event the Organization fails to comply with its obligations under the Act of Transfer, LMD shall have unilateral rights to redeem the LMI Housing.

Leases with tenants for the LMI Housing Project are typically for one year or less.

Effective January 1, 2024, the Organization engaged a property manager to manage the daily operations of the LMI Housing Project. The agreement continues through December 31, 2025, from year to year unless terminated by either the property manager or the Organization effective upon thirty day written notice given by either party, beginning on June 30, 2024. The property manager was granted the exclusive authority, right, and power to operate, manage, lease, and maintain the property. The Organization reimburses the property manager for the property manager's salaries and other expenses related to the LMI Housing Project. The Organization also pays the property manager an amount equal to 9.5% of the gross collected income for the LMI Housing Project as a management fee, plus 40% of one month's lease payment for each tenant procured. Total management fees for the years ended June 30, 2025 and 2024, totaled \$42,750 and \$20,663, respectively. The amount of revenue from the property manager for gross lease payments during the years ended June 30, 2025 and 2024 totaled \$188,497 and \$82,176, and are included in lease revenue on the Consolidated Statements of Activities.

The amount due from the property manager as of June 30, 2025 and 2024 totaled \$23,155 and \$37,338, respectively, and is included in Accounts Receivable, net on the Consolidated Statements of Financial Position.

Note 13 - RESILIENCY PROJECT

In response to a need to provide LMD a research and development consortium to complete analysis, testing, research, and manufacturing of environmentally friendly solutions to handle, repurpose, and dispose of industrial waste steams, energetic materials, and other wastes and materials, the Organization's contractor plans to develop environmentally friendly solutions including the development of one or more energy systems, resiliency systems, energy storage systems, thermal processing systems, contained treatment systems, pollution abatement system, recycling systems, biomass processing systems, and other environmental systems.

The State of Louisiana and the Organization entered into a cooperative endeavor agreement in December 2024 to facilitate the receipt of an appropriation of \$10 million as part of Act 776 of the 2024 Louisiana Regular Legislative Session related to the resiliency project.

Note 13 - RESILIENCY PROJECT (Continued)

The cooperative endeavor agreement contemplates entering into agreements, including possibly ground and facility leases with LMD for research and development of the environmentally friendly solutions on LMD military installations and other state properties.

The Organization and a contractor entered into a project agreement in March 2025 to provide a research and development plan to utilize LMD installations and promote environmental and economic sustainability and resiliency.

During the year ended June 30, 2025, one payment of \$5,000,000 was made to the contractor upon the delivery of the business plan related to the project.

The remaining \$5,000,000 is included in deferred revenue on the Consolidated Statement of Financial Position as of June 30, 2025, as the developer has not yet fulfilled its obligations per the business plan related to the project. During the year ended June 30, 2025, \$4,319,573 was held in an escrow account, which is included in restricted cash on the Consolidated Statement of Financial Position.

Note 14 - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets within the Statements of Activities included:

	2025	2024		
Leased Housing	\$ -	\$7,576,000		
	2024			
	Revenue Recognized	Utilization In Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Leased Housing	<u>\$7,576,000</u>	Program Services	Passage of time	The Organization estimated the fair value based on an estimate of the cost as provided by vendor.

Note 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024 are restricted for the following purposes or periods:

	2025	2024 (As Restated)
Subject to expenditure for specified purpose:		
Friends of the Louisiana National Guard Museum	\$ 106,394	\$ 64,369
Youth Challenge Program and Military Education Training Enhancement Program	321,592	254,151
Totals	427,986	318,520
Subject to expenditure for specified purpose or the passage of time:		
Leased Housing	7,292,002	7,481,402
LANG Emergency Relief Fund	2,520,299	2,528,009
Totals	9,812,301	10,009,411
Total net assets with donor restrictions	\$ 10,240,287	\$ 10,327,931

Net assets were released from the donor restrictions by incurring expenses satisfying the restricted purpose during the years ended June 30, 2025 and 2024:

	2025	2024
Purpose restriction satisfied:		
Friends of the Louisiana National Guard Museum	\$ 30,276	\$ 88,670
Youth Challenge Program and Military Education Training Enhancement Program	9,582	31,981
Purpose restriction satisfied or the passage of time:		
Leased Housing	189,400	94,598
LANG Emergency Relief Fund	35,232	3,161
Total net assets released	\$264,490	\$218,410

Note 16 - LIQUIDITY AND AVAILABILITY OF ASSETS

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization’s liquidity management plan includes adopting a balanced operating budget and maintaining operating reserves equal to \$287,000 or approximately 25% of annual operating expenses. The Organization invests excess cash in money market accounts, certificates of deposit and other marketable securities.

The Organization receives grants and contributions with donor time and purpose restrictions. In addition, the Organization generates revenue and receives support without donor restrictions. Billeting revenues, contributions without donor restrictions, other revenue, lease revenue, and investment income without donor restrictions are considered to be available to meet cash needs for general expenditures. General expenditures include program services and management and general. Annual operations are defined as activities occurring during, and included in the budget for, the upcoming fiscal year.

The following table represents the Organization’s financial assets available for general expenditures within one year as of June 30, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 284,335	\$ 463,491
Accounts receivable, net	64,455	84,780
Grants receivable, net	185,001	1,310,155
Accrued interest receivable	5,319	7,338
Investments	4,295,638	3,357,745
Burn System receivable, net	2,352,553	2,336,126
Total financial assets	7,187,301	7,559,635
Less amounts unavailable for general expenditures within one year, due to contractual or donor imposed restrictions:		
Investments with maturities greater than one year	(976,277)	(922,205)
Purpose or time restricted net assets, net of housing	(2,948,285)	(2,846,529)
Total financial assets not available to be used within one year	(3,924,562)	(3,768,734)
Financial assets available to meet general expenditures within one year	\$3,262,739	\$3,790,901

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Louisiana National Guard Foundation and Subsidiaries
New Orleans, Louisiana**

For the year ended June 30, 2025

Agency Head Name: Michael Niclosi, Executive Director and Todd Landy, Chief Executive Officer

Purpose	<u>Michael Niclosi, Executive Director</u>	<u>Todd Landy, Chief Executive Officer</u>
Salary (contract payments)	\$115,146	\$45,000
Benefits - insurance	-	1,000
Benefits - retirement	-	-
Benefits - other	-	-
Car allowance	-	-
Vehicle provided by government	-	-
Per diem	-	-
Reimbursements	-	-
Travel	9,958	6,461
Registration fees	-	-
Conference travel	-	-
Continuing professional education fees	-	-
Cell phone	-	220
Housing	-	-
Unvouchered expenses	-	-
Special meals	-	-
	<u>\$125,104</u>	<u>\$52,681</u>

SCHEDULE OF FRAUD AND MISAPPROPRIATIONS**Louisiana National Guard Foundation and Subsidiaries**
New Orleans, Louisiana

For the year ended June 30, 2025

Element of Finding and Response

- 1) A general statement describing the fraud or misappropriation that occurred.
A wire erroneously believed to be from our attorney was fraudulently initiated and forwarded to Raymond James through a spoofed email.
- 2) A description of the funds or assets that were the subject of the fraud or misappropriation.
Cash.
- 3) The amount of funds or approximate value of assets involved.
Initially \$5,000,000 was stolen and \$4,319,524 was recovered.
- 4) The department or office in which the fraud or misappropriation occurred.
Not applicable.
- 5) The period of time over which the fraud or misappropriation occurred.
One day.
- 6) The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.
Not applicable.
- 7) The name of the person who committed or is believed to have committed the act of fraud or misappropriation if formal charges have been brought against the person and/or the matter has been adjudicated.
Not applicable.
- 8) Is the person who committed or is believed to have committed the act of fraud still employed by the agency?
Not applicable.

Element of Finding and Response (Continued)

- 9) If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?

Not applicable.

- 10) Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?

Yes.

- 11) What is the status of the investigation at the date of the auditor`s/accountant`s report?

Open.

- 12) Report referred to New Orleans Police Department. If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?

Not applicable.

- 13) What is the status of any related adjudication at the date of the auditor`s/accountant`s report?

Not applicable.

- 14) Has restitution been made or has an insurance claim been filed?

Not applicable.

- 15) Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523?

Not applicable.

- 16) Did the agency`s internal controls allow the detection of the fraud or misappropriation in a timely manner?

Not applicable.

- 17) If the answer to the last question is “no”, describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.

Not applicable.

- 18) Management`s plan to ensure that the fraud or misappropriation does not occur in the future.

We have enhanced wire protocols that were already in place.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
Louisiana National Guard Foundation and Subsidiaries,
New Orleans, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Louisiana National Guard Foundation and Subsidiaries (the “Organization”), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization’s consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

New Orleans, Louisiana,
October 9, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Louisiana National Guard Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

b) Federal Awards

Louisiana National Guard Foundation and Subsidiaries did not expend federal awards in excess of \$750,000 during the year ended June 30, 2025 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2025 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings noted during the audit for the year ended June 30, 2025 related to compliance and other matters.

Section III - Internal Control and Compliance Material to Federal Awards

Internal Control and Compliance

Louisiana National Guard Foundation and Subsidiaries did not expend federal awards in excess of \$750,000 during the year ended June 30, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Louisiana National Guard Foundation and Subsidiaries New Orleans, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2024 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings noted during the audit for the year ended June 30, 2024 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Louisiana National Guard Foundation and Subsidiaries did not expend federal awards in excess of \$750,000 during the year ended June 30, 2024 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the consolidated financial statements for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Louisiana National Guard Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended June 30, 2025

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended June 30, 2025 related to internal control over financial reporting.

Compliance and Other Matters

There were no findings noted during the audit for the year ended June 30, 2025 related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Louisiana National Guard Foundation and Subsidiaries did not expend federal awards in excess of \$750,000 during the year ended June 30, 2025 and, therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit of the consolidated financial statements for the year ended June 30, 2025.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,
Louisiana National Guard Foundation and Subsidiaries,
New Orleans, Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2024 through June 30, 2025. Louisiana National Guard Foundation and Subsidiaries (the “Organization”) management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
October 9, 2025.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Louisiana National Guard Foundation and Subsidiaries
New Orleans, Louisiana

For the year ended June 30, 2025

The required procedures and our findings are as follows:

1. Procedures Performed on the Organization's Written Policies and Procedures:

Prior year testing resulted in no exceptions related to written policies and procedures. Therefore, testing is not required in the current year.

2. Procedures Performed on the Organization's Board or Finance Committee:

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

3. Procedures Performed on the Organization's Bank Reconciliations:

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Performance: Obtained monthly bank reconciliation for the month of January for the main operating bank account and other 4 accounts selected. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

3. Procedures Performed on the Organization's Bank Reconciliations: (Continued)

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Inspected the Organization's documentation for the 5 bank accounts selected and verified that a member of management or a board member who does not handle cash, post ledgers, or issues checks has reviewed each bank reconciliation with 1 month of the date the reconciliation was prepared.

Exceptions: There were no exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Performance: We noted no reconciling items outstanding for longer than 12 months as of the end of the fiscal period.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Organization's Collections (excluding electronic funds transfers):

Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

5. Procedures Performed on the Organization's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):

Prior year testing resulted in no exceptions related to non-payroll disbursements. Therefore, testing is not required in the current year.

6. Procedures Performed on the Organization's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):

Prior year testing resulted in no exceptions related to credit cards/debit cards/fuel cards/purchase cards (cards). Therefore, testing is not required in the current year.

7. Procedures Performed on the Organization's Travel and Travel-Related Expense Reimbursements (excluding card transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

8. Procedures Performed on the Organization's Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

9. Procedures Performed on the Organization's Payroll and Personnel:

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

10. Procedures Performed on the Organization's Ethics:

Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

11. Procedures Performed on the Organization's Debt Service:

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

12. Procedures Performed on the Organization's Fraud Notice:

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

13. Procedures Performed on the Organization's Information Technology Disaster Recovery/Business Continuity:

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

14. Procedures Performed on the Organization's Prevention of Sexual Harassment:

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing is not required in the current year.